

Medicare News – May 2015

I'm still working, and will soon become eligible for Medicare. Now what?

Many people are working beyond what was once a standard retirement age. The rising costs for health care, inadequate retirement income, and in some cases, the desire to continue working because they truly enjoy their job are only some of the reasons. Many of these folks work beyond the age of 65, and become eligible for Medicare while still employed. This brings about many questions in terms of how to select among the various health insurance options, for both the individual and their retired spouse. For example, should I continue with my group health insurance, or opt for Medicare Parts A & B, along with prescription drug coverage? Or is some combination of both a better choice?

Often it is most beneficial for active employees to remain on their group health insurance as long as the amount that is deducted from their pay for the employee's portion of insurance is cheaper than the cost of Medicare products. If one attempts to make the decision based on comparable benefits, then it gets more complicated, because there are so many Medicare plans available.

Most people in this situation will get Medicare Part A, the hospitalization coverage at no cost, if they have worked 10 years or more. At the age of 65, you have the option to sign up for Part B, which covers all of the other medical expenses. However, just remember you will be required to pay the premium, which currently is \$104.90 per month. Some people enroll in Part B even if they have group health because it can afford additional medical coverage. If your employer has 20 or more employees, and you decide to enroll in Medicare, the group health insurance is always considered primary. Medicare will only pay after the private insurance pays its portion. If the employer has less than 20 employees, then Medicare will be primary, and the company plan will pay only after Medicare pays its approved amount.

As long as your employer has credible health care insurance, you can defer signing up for Medicare Part B and the Part D drug insurance until you retire. Just remember, once you retire, there is a schedule by which time you need to enroll in Medicare plans. You must enroll in Medicare Part B no later than 8 months after the date you lose the group coverage. You have only 60 days to enroll in a Medicare prescription drug insurance Part D plan. Failure to enroll within these timelines can result in monthly penalties that will remain in force for the life of the beneficiary, and a delay in obtaining coverage.

Another important consideration is the guaranteed issue right that is available for 6 months after you sign up for Medicare Part B. If you enroll in Part B while still working, you can possibly lose this right, depending on your date of retirement. This can affect your choices and the cost to enroll in one of the Medicare Medigap plans later.

The process of understanding the differences between a private employer's insurance and Medicare plans can be challenging. Beneficiaries can obtain help regarding this topic or any other item associated with Medicare and Medicaid insurance programs by contacting a trained and certified counselor with the Medicare/Medicaid Assistance Program (MMAP). Simply call our toll free number at 800-803-7174 and leave a message.

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